GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:220
ANSWERED ON:01.08.2016
Distribution of LPG/CNG/Petrol Pump by foreign Companies
Rajbhar Shri Hari Narayan;Ram Shri Vishnu Dayal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to authorize the foreign companies to undertake retail distribution of petrol/diesel in the country and if so, the details of mechanism/criteria thereof;
(b) the number of such retail outlets set up/proposed to be set up in the coming years, State/UT/company-wise;
(c) whether the Government has finalized any scheme for assured distribution of petrol, diesel, LPG and CNG in various states and decontrol the distribution of petroleum products in the country and if so, the details thereof; and
(d) the steps take/being taken in this regard, State/UT-wise??

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (d) - A statement is laid on the table of the House.
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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO.220 ASKED BY SHRI HARINARAYAN RAJBHAR AND SHRI VISHNU DAYAL RAM FOR ANSWER ON 01.08.2016 REGARDING DISRIBUTION OF LPG/CNG/PETROL PUMP BY FOREIGN COMPANIES.

Only one foreign company, namely Shell, is presently having MS and HSD ROs in the country. State/UT-wise number of ROs set up by Shell as on 01-07-2016 are given at Annexure.
(c) & (d) − Demand of petrol/diesel is being met in full at ROs set up by Public Sector Oil Marketing Companies (OMCs) throughout the country. These products are fully de-controlled for distribution and there is no reported shortage of these products in the country. However, in case of shortages in particular locations due to reasons beyond the control of OMCs including natural calamities like floods, earthquake, landslide etc, OMCs take necessary steps to move products from alternate sources/route to meet the demand.
OMCs appoint LPG distributorships in the country for assured distribution of LPG to the consumers. OMCs aim to increase the National LPG coverage to 75% with minimum 60% coverage at state level and at least one distributor in each block by 2019. As present, there are 18033 LPG distributorships in the country. As a part of the process of opening 10,000 new distributorships, the process for setting up of more than 2000 new LPG distributorships is at different stages of selection across the country.
The Government established Petroleum & Natural Gas Regulatory Board (PNGRB) which grants authorization to entities for developing a City Gas Distribution (CGD) network in the specified Geographical Area (GA) of the country through a bidding process. PNGRB has envisaged a phase roll out plan for development of CGD networks in several GAs in various States/UTs. The GAs are included in bidding round in a phased manner depending on the natural gas pipeline connectivity/natural gas availability and feasibility for grant of authorization to develop CDG networks in the country.
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(a) & (b) - Government Resolution dated 08.03.2002 of this Ministry has a provision for granting marketing rights of Motor Spirit (MS) / High Speed Diesel (HSD) / Aviation Turbine Fuel (ATF) to the new entrants, including the private sector, subject to the conditions mentioned therein. Various private companies including domestic and foreign oil companies, namely, M/s. Reliance Industries Ltd., M/s. Essar Oil Ltd., M/s. Shell India Ltd. have set up retail outlets of petrol and diesel in the country.